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MODERN SECURITY IS MORE THAN MILITARY SPENDING TOWARDS A SINGLE SECURITY BUDGET?

REPORT



INTRODUCTION

A common EU army and single security budget are not on the cards, despite member states' recent moves towards closer defence cooperation.

But given the multitude of threats facing the bloc, experts at a recent Friends of Europe Café Crossfire and Policymakers' Dinner debate called for a paradigm shift in thinking and ways of working in response to modern peace, security and defence matters, starting with closer links between military spending and security-related policies such as diplomacy, aid and trade.

At the 6 December events – 'Modern security is more than military spending' - participants hailed recent moves to pool EU military forces and equipment in "permanent structured cooperation" (PESCO), a move made possible by the 2009 Lisbon Treaty. But they insisted that collective defence will continue to be handled by NATO, despite mixed messages from the US on the usefulness of the transatlantic alliance.

While US President Donald Trump has focused his ire on NATO "free riders", and called for a boost in defence spending, a Friends of Europe policy brief, 'Cooperative security requires a budget', argues for a broader, more than money approach to the problem. The brief calls on governments, NATO and the EU to do a "security spending" audit across all policies, beyond defence, to root out where spending is worthwhile and where it can be cut.

However, ring-fencing development aid and coming up with a joint EU "military doctrine" need to come first, participants agreed, to ensure money is not being diverted to the wrong places.

IN BRIEF:

Friends of Europe, 'Cooperative security requires a budget' (Dec 2017)

- Put common security on the same level as collective defence/crisis management
- Do an inventory/audit of all security-related spending at national, NATO and EU level
- Think in terms of a "single security budget" that goes beyond military spending and "narrow concepts" of internal and external security
- Start a "grand strategic debate" on spending priorities, how to get value for money
- Consider a security spending target that adds to NATO's 2% of GDP defence spending aim

‘NOT ALL SECURITY IS DEFENCE’

A multitude of threats - including terrorism, cyber-attacks and hacking, migration, Russian aggression and US ambiguity over NATO - is pushing EU countries to cooperate more on defence and security. As Brexit has removed the UK's long-standing veto on non-NATO defence cooperation, and with new French president Emmanuel Macron calling for “a different kind of ambition” on the topic, a European defence union - the catch-all term favoured by France, Germany and the European Commission – has made great leaps forward.

Just days after the Friends of Europe debate, 25 of the EU's 28 members - including traditionally “neutral” states such as Sweden, Austria and Ireland - agreed to pool military forces and equipment under “permanent structured cooperation” (PESCO), a provision made possible by the Lisbon Treaty.

The move follows the launch of a joint command centre, based in Brussels, to coordinate military training missions currently in the Central African Republic, Mali and Somalia, and the creation of a new €5.5 billion European Defence Fund (EDF) to finance large-scale research and development in the sector.

A dinner participant pointed out however that the European Defence Fund is not a single unified fund but three different budgets for research & development, capabilities and acquisition. He proposed an individual external military defence budget paid by the Member States for all external and military actions which would allow the financing of equipment in areas where the EU has missions (i.e. in Niger) and any other legitimate CSDP actions.

Despite these bold moves, NATO will continue to provide “collective defence” in Europe, insisted [Nicolas Suran](#), French Permanent Representative to the Political and Security Committee at the Council of the European Union. “There is no European army. We are not creating a European army. A European army will come, perhaps, for generations which will follow us,” he said.

However, “cooperative security” should be just as important as collective defence, argues a recent Friends of Europe policy brief. The paper suggests auditing all security-related spending and setting up a “single security budget” to better link defence spending with other budget lines - because “all defence is security, but not all security is defence”.

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“We don’t actually understand what we spend on defence and security - we don’t have an inventory”

Dharmendra Kanani
Director of Strategy at Friends of Europe

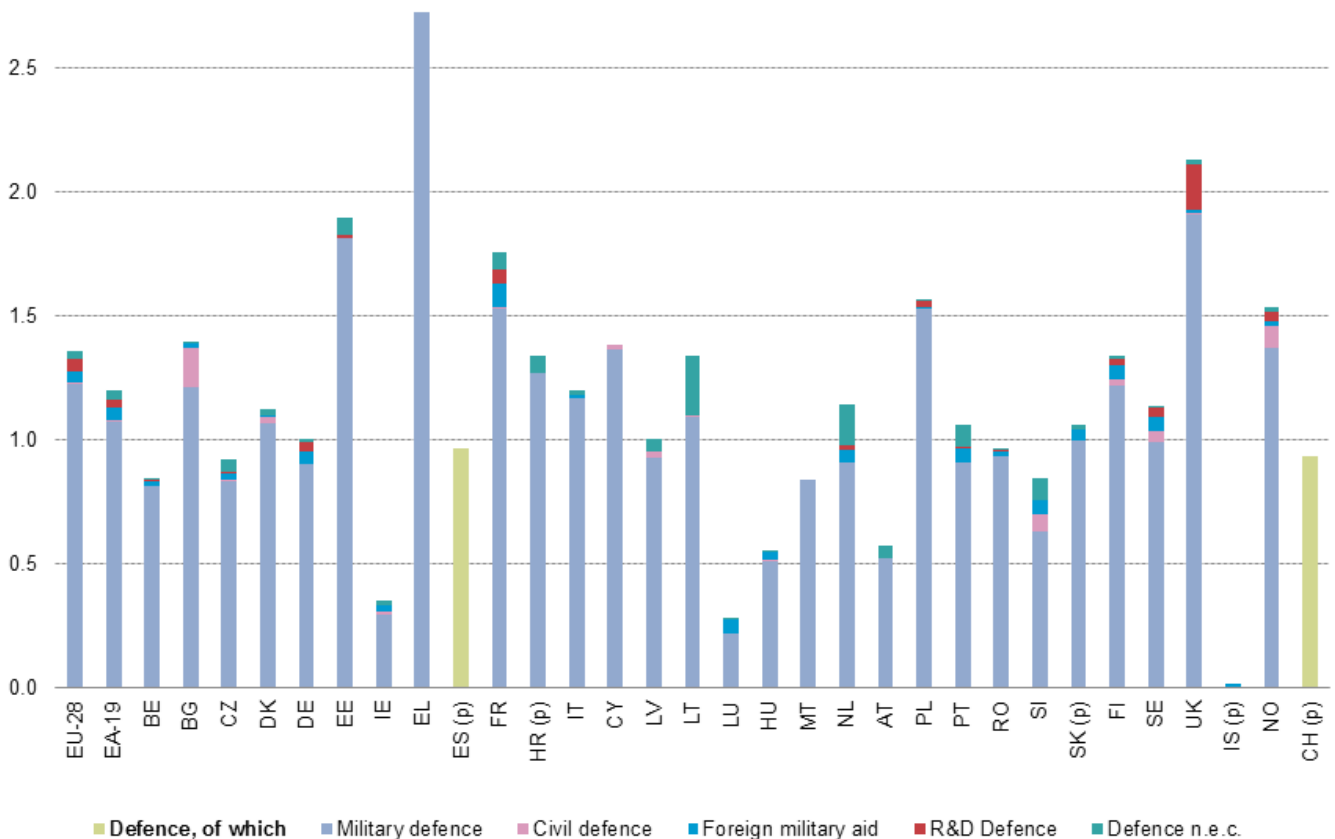
BIG SPENDERS

“We don’t actually understand what we spend on defence and security - we don’t have an inventory,” said [Dharmendra Kanani](#), Friends of Europe’s Director of Strategy, who moderated the Café Crossfire debate. “If you don’t know what you’re spending on, you don’t know what value you’re getting and therefore you don’t know what the gaps are and where you’re duplicating.”

NATO members - 22 of whom are in the EU - have agreed to increase defence spending to 2% of GDP, but only a handful have managed it. EU member states spent an average of 1.4% of their combined GDP on defence in 2015, with Greece, the UK, Estonia, France and Poland the biggest spenders, according to the EU’s statistics agency. Spending on public order and safety including policing, border and coast guards added up to 1.8% of GDP in 2015, according to Eurostat. Bulgaria, Slovakia, Romania, Poland and Croatia were at the top of that table.

[Christian Mölling](#), Deputy Director at the German Council on Foreign Relations, said you can’t do a security spending audit because you can’t compare different items of expenditure. “A minimum price for a

GRAPH 1: Total general government expenditure on defence, 2015 (% of GDP)
Source: Eurostat



tank is a minimum price for a tank. How do you want to compare this to a police car? How do you want to compare this to investment in social resilience?” he said. “You cannot basically show that you increase security by spending more or spending less.” But [Ana Gomes](#), a Member of the European Parliament’s Subcommittee on Security and Defence, said there was a need for a budget boost. “We need new money and not money that comes from existing budgets,” she said. “But the most important thing is that we need better value for money.”

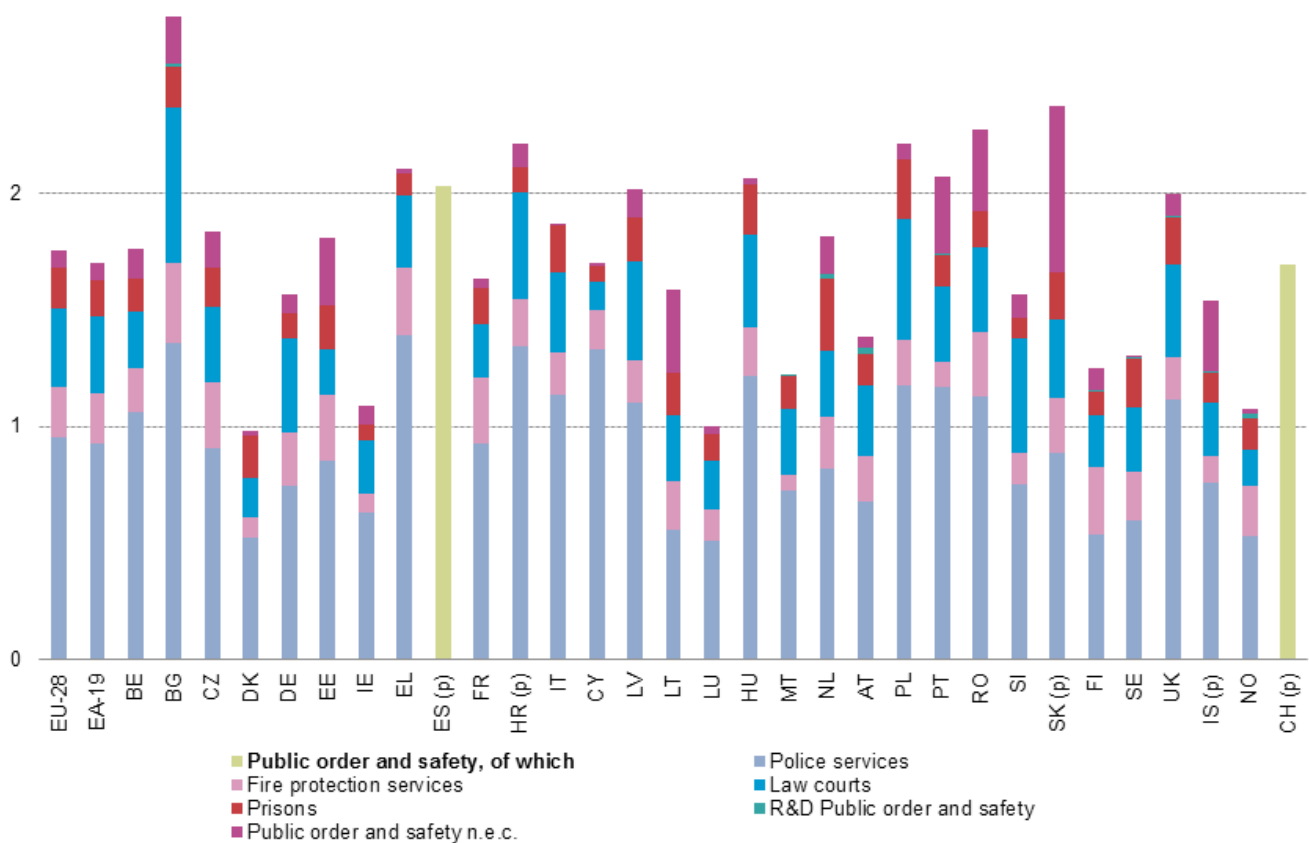
Some secrecy in the defence sector will clearly be necessary, but overall, defence and security institutions should be budgeted for, overseen and audited like any other government sector, said [Karolina MacLachlan](#), Research and Policy Manager for Conflict and Insecurity at Transparency International. This is important both for security and for development – without well-functioning, accountable defence and security sector, development will suffer. That’s why building up defence accountability and governance should be part of both security and development communities’ purview; leaving defence and security reform out of development work just reinforces the approach that defence is exceptional and therefore good governance standards do not apply.

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GRAPH 2: Total general government expenditure on public order and safety, 2015 (% of GDP)
Source: Eurostat



“There is a real concern in the development sector about aligning development and security too closely”

Amy Dodd

Director at the UK Aid Network

THE DEVELOPMENT “FIREWALL”

Many countries - including Sweden, Germany and the UK, three of the EU's top overseas aid donors - now explicitly link development aid to defence and security. The UK, for example, has a billion-pound conflict, stability and security fund that blends defence spending and development aid in around 70 high-risk countries. However, the fund has been heavily criticised by MPs and Lords for being too “opaque”.

Amy Dodd, Director at the UK Aid Network, said the criticism was “justifiable”, and argued for a “firewall” between development and security spending to protect strained aid budgets. “There is a real concern in the development sector about aligning development and security too closely,” she said. “I think I know which one wins, if it’s a question about, ‘Will this deliver more UK national security or will it deliver more development?’”

It is also a safety matter for staff in the field, Dodd explained. “Those are the people who become targets when defence and development are too tightly tied together,” she said. “They are seen as justifiable targets and they’re also seen as agents of a foreign government’s agenda in-country, which definitely puts them at risk, and that puts aid operations at risk.”

TIMELINE: European Defence Union

- Dec 2009** Lisbon Treaty (article 42) provides for “common security and defence policy”
- June 2016** ‘Global strategy’ for foreign and security policy, including ideas for joint forces, command centre and annual spending review
- July 2016** Joint EU-NATO declaration: cooperation in 7 areas including capabilities, R&D, exercises
- Nov 2016** EU Defence Action Plan: financial help for common defence (defence fund, EIB loans)
- May 2017** Deal on joint military command centre (Military Planning and Conduct Capability)
- June 2017** Launch of €5.5 billion European Defence Fund
- Nov 2017** Trial run of coordinated annual review of defence spending and planning (CARD)
- Dec 2017** Permanent structured cooperation (PESCO) agreed by 25 countries

[Michael Rohschürmann](#), Advisor for Security and Stabilisation at the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) advised against a firewall, but to ensure a better understanding of how military tools work and how they can be combined. He agreed that a united budget is not the priority, but what is needed are common efforts in understanding and training each other in combined exercises. This would require real long-term perspectives, especially in issues of civil military cooperation, despite challenges in the different working structures.

Focusing on outcomes and the strategic objectives should be the priority, said [General Hans Wiermann](#), Military Representative to the Delegation of Germany to NATO. . This requires knowing who the strategic authority is who ties both the military and civilian instruments together at the strategic level, which would include the European External Action Service, the European Commission and the Member States.

CONCLUSION

While a single security budget might not be the way forward, there is good reason to think that closer links between defence spending and other policy areas are possible.

Gomes had “mixed feelings” about a single security budget in the same way she was sceptical about the idea of a European army developing from PESCO, she said. “We will not have, in the short term, a European army. We will not have, in the short term, a single budget for defence. We might have cooperative approaches for financing defence. We need that,” she said.

Mölling echoed her calls for more cooperation. “I would propose a very pragmatic way into this, which is not possibly a single budget but a cooperative budget,” he said. His idea builds on the approach taken in countries like Sweden and the UK, which would essentially “force” government departments to collaborate or risk losing a percentage of their budgets.

Suran said he wouldn’t “advocate a single security budget”, pleading instead for more value for money and a unified “military doctrine” to guide spending. “The main question is not, ‘Do we have enough tools?’ The main question is for Europeans to act together with a shared purpose and to be efficient, to have value for money,” he said.

And an overarching “shared strategy” for national security could link to development policy, as long as there were “clearly delineated development budgets”, Dodd said.

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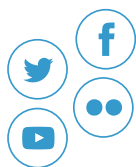
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